

**MINUTES OF THE
GOVERNOR'S BOARD OF ECONOMIC DEVELOPMENT**

June 15, 2007 • 10:00 a.m. to 12:00 p.m.
State Capitol, House Building (West) Rm 110
Salt Lake City, Utah

Members Present: Ragula Bhaskar, Bill Boyle, Jack Brittain, Mary Draper, Molonai Hola, Mark Howell, Mel Lavitt, Jerry Oldroyd, Cliff White

Members Absent: Amy Rees Lewis, Richard Nelson, Gerald Sherratt

Visitors: Dave Anderton, Brad Baird, Scott Beck, Todd Brightwell, Alisanne Casey, Jeff Edwards, Stanley Ellington, Tauni Everett, Ben Forsyth, Reed Jacobs, Lesley Mitchell, Jacob Moon, Jeremy Neilson, John Rasmussen, Tamee Roberts

Staff: Luke Behrmann, Andrea Breisch, Clark Caras, Doug Clark, Connie Gates, Amy Hamblin, Stan Kanarowski, Fred Lange, Marshall Moore, Danica Nelson, Michael Nelson, Jason Perry, Pete Pletsch, Ryan Starks, Michael Sullivan, Nicole Toomey-Davis, Leigh Von Der Esch, Marshall Wright

Welcome -

Jason Perry welcomed everyone and briefly discussed the status of new board members and those members' whose terms are ending. The Senate will confirm the new board members next week. Ragula Bhaskar was sworn in as the new chairman of the GOED Board.

Approve May 2007 Minutes

MOTION: Cliff White moved to approve the minutes of the May 18, 2007 GOED Board Meeting. Jack Brittain seconded the motion. Motion carried unanimously.

Committee Reports

Incentives Committee

Film Policy

Jerry Oldroyd discussed the need for a policy for the content of films that are approved for MPIF rebate. The proposed policy is as follows:

Not every project will qualify for the incentive. The State of Utah is not required to incent projects that include "inappropriate content" or "content that portrays Utah or Utahns in a negative way". As part of the application process, the Utah Film Commission and the Incentives Committee of the Governor's Board of Economic Development will review the script and determine whether the content fits within the mission and image of the State.

Once an approved project has been completed, the Utah Film Commission will review the final script and meet with the producers before issuing the rebate to ensure that revisions made during production have not created an extreme difference from the original approved content.

MOTION: Jerry Oldroyd moved to approve the adoption of the Film Content Policy as stated above. Mark Howell seconded the motion. Motion carried unanimously.

North American Pipe Corporation

Project Highlights

- 98 new full time employees in Cedar City, Iron County, Utah

- Company Projected Wages: \$42,172 average which is 225% of the Iron County Median Wage
- New State Revenue: \$9,376,000 over 10 years
- New State Wages: \$42,313,000 over 10 years
- Capital Investment: \$68,000,000
- ROI Multiple: 3.3 times
- Competition: Arizona

Local Incentives

- Cedar City has invested \$16,000 per acre in the creation of an EDA at the Port 15 Project where the NAPCO plant will be located. This translates into a local incentive of \$640,000. In addition, the City will provide 50% funding for Custom Fit Training.

MOTION: Jerry Oldroyd moved to approve for North American Pipe Corporation a 30% EDTIF partial tax rebate on a post performance basis over ten years not to exceed \$2,800,000. Mark Howell seconded the motion. Motion carried unanimously.

Additional Requirements:

- EDTIF maximum incentive not to exceed 30% of new state revenues over the life of the project
- The company must commit to keep operations in Utah for a minimum of 10 years
- The average salary of new employees must be equal to or greater than 190% of the Iron County Median Wage

There was discussion regarding the average and median wage of the county. High paying jobs were discussed.

Outdoor Retailers – Salt Lake County

From Outdoor Retailers Summer Marketplace 2006

- Expenditures of \$27,665,560 from participants (estimated by RIMS II economic model)
 - \$17,085,284 for Travel spending
 - \$11,580,276 for Trade Show spending
- 615 jobs (estimated by RIMS II)
- \$1,626,779 in New State Revenues (estimated by RIMS II)
- \$11,761,345 in New State Wages/Benefits (estimated by RIMS II)

Other Contributions

- Salt Lake County \$175,000

MOTION: Jerry Oldroyd moved to approve a one time Economic Opportunity Grant for \$250,000 from the Industrial Assistance Fund for Salt Lake County to retain and promote the Outdoor Retailers Summer Marketplace tradeshow. The grant is conditioned on Salt Lake County and other local and state entities providing the total requested amount of \$569,000. If Salt Lake County wishes to receive future, on-going funding, they are encouraged to seek that funding through the legislature. Mel Lavitt seconded the motion. Motion carried unanimously.

Scott Beck, Salt Lake Convention and Visitors Bureau, explained that this funding is needed to accommodate and retain the growing Outdoor Retailers Tradeshow.

MPIF: Waking Up Driving

Project Highlights

- Application type: MPIF
- Category: Feature Movie (Independent)
- Dollars left in state : \$3,005,000
- Requested estimated rebate at \$300,500
- Average Salary for 116 Utah crew \$250 day (\$6750)
- Average Salary for 20 Utah cast \$125 day

- Film production will total 27 days

Incentive Rebate Percentages

- Amount of budget to be spent in Utah: \$3,005,000 which represents 75% of the total budget of \$3,999,751

Incentive Requirements

- Script Review for Content Matter: Anticipated to be PG-13 or possibly R due to strong language

Demonstrate Readiness Requirements

- Financing: Is in place and provided by and/or arranged for by Executive Producer Cary Porter

Distribution agreement: Presently negotiating domestic and foreign distribution deals.

Completion Bond: Anticipated from Film Finances, Inc.

Project schedule: Beginning preproduction: 6/11/2007

Beginning Photography: 7/30/2007

Begin Wrap: 9/21/2007

Post Production to be completed by 12/21/2007

MOTION: Jerry Oldroyd moved to approve for Handshake Films, LLC “Waking up Driving” a MPIF rebate not to exceed 10% of the total dollars left in the state. The total dollar amount for the rebate shall not exceed \$300,500. Mel Lavitt seconded the motion. Motion carried unanimously.

Economic Development Zones

Establish an Economic Development Zone for purposes of supporting the location of a manufacturing plant for ATI Titanium LLC in Tooele County, Utah.

Establish an Economic Development Zone for purposes of supporting the location of a manufacturing plant for the Nucor Building Systems in Brigham City, Utah.

Establish an Economic Development Zone for purposes of retaining a manufacturing plant for ICU Medical, Inc. in Taylorsville, Utah.

MOTION: Bill Boyle moved to approve the creation of Economic Development Zones for the ATI Titanium Project in Tooele County, the Nucor Building Systems Project in Brigham City, and the ICU Medical Project in Taylorsville City in support of their letters of commitment and maps detailing the zoning and boundaries of the above projects. Cliff White seconded the motion. Motion carried unanimously.

Centers of Excellence

Nicole Toomey-Davis reported on the Centers of Excellence Program and provided handouts outlining new year participants and funding.

Utah Fund of Funds

Jeremy Neilson reported on the current status of the Utah Fund of Funds Program and provided handouts outlining the concept and status.

Clark Caras discussed the Rotary Conference and the ads that are going out to promote Utah as a great place to work. Next month a recruiting campaign targeted at business professionals will be launched. Bill Boyle spoke about the Red Bull Air Race in Southern Utah and what a great success it was. Jason Perry presented Mark Howell with a plaque for his years of service on the board, as his term is expiring. Mark Howell thanked everyone and spoke about the importance of incentives and good, high paying jobs.

No other business to discuss.

Meeting adjourned.